



Procedure: Income Determination & Documentation

Functional Area: VIII Certification, Eligibility & Coordination of Services

Section: A 6

Approval Date: 6/2015

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Purpose	To provide guidance on determining and documenting income.
Income Definition	Income includes total gross cash earned by any and all members of a household or economic unit. It also includes any amount received or withdrawn from any source, including savings.
Gross Income Definition	Gross income is defined as all income before deductions are made for income taxes, employee social security taxes, insurance premiums, bonds, etc.
Net Income Definition	Income after all expenses and depreciation are deducted. Net income is used to determine income for self-employed persons and farmers.
In-Kind Definition	<p>Any benefit which has a monetary value and is received in place of money for services rendered. Examples included: housing, utilities, vehicles, food and gas provided or paid by employer.</p> <p>In-Kind benefits are not counted as income.</p> <p>See the Income Determination – Special Circumstances procedure for more detail about specific in-kind situations.</p>
Income Documentation	Documentation (proof) of each source of income for a family/economic unit must be shown at the time of certification.
Who May Provide Income Documentation	<p>The following are allowed to bring income documentation to the clinic for eligibility purposes:</p> <ul style="list-style-type: none">• Applicant/client• Responsible Party• Enrollment Proxy <p>Alternate shoppers are not allowed to provide documentation of income for purposes of enrollment.</p>
Income Verification	WIC does not require income verification, that is, validating the information provided at the appointment through an external source of information other

**Income Verification
(cont.)**

than the applicant.

Verification of income would only be done when staff have reason to believe the family has other sources of income that were not reported or the family's income or family size was under reported.

**Income Listing and
Acceptable Proof**

The following table lists what is included as gross income, and the corresponding examples of acceptable proof.

All proof of income must be current, i.e.: within the last 30 days.

GROSS INCOME INCLUDES	PROOF OF INCOME INCLUDES
Monetary compensation for services, including wages, salary, commissions, or fees	<ul style="list-style-type: none">• Current pay stub(s) noting the pay time frame (weekly, bi-weekly, monthly, etc.)• Signed statement from employer indicating gross cash earnings for a specified period.
Active military payments	<ul style="list-style-type: none">• Recent Leave and Earnings Statement, including CONUS COLA (Continental U.S. Cost of Living Allowance)
Net income from farm and non-farm self-employment	<ul style="list-style-type: none">• W-2 forms or income tax return for the most recent calendar year. Line 34 on Form 1040.• Accounting records for the self-employed
Social Security benefits	<ul style="list-style-type: none">• Check stub/award letter from Social Security stating current amount of earnings/bank statements.
Dividends or interest on savings or bonds, income from estates, trusts, or investments	<ul style="list-style-type: none">• Income tax return for the most recent calendar year• Bank or account statements
Net rental income	<ul style="list-style-type: none">• Income tax return for the most recent calendar year
Public assistance or welfare payments; foster care	<ul style="list-style-type: none">• Notice of Action• Foster child placement letter/foster parent award letter.
Unemployment compensation	<ul style="list-style-type: none">• Unemployment letter/notice
Government civilian employee or military retirement or pensions or veteran's payments	<ul style="list-style-type: none">• Annual statement that shows monthly amount of retirement income
Private pensions or annuities	<ul style="list-style-type: none">• Income tax return for the most recent calendar year
Alimony or child support payments	<ul style="list-style-type: none">• Divorce decree• Award letter• Copy of check received

Disability Payments	<ul style="list-style-type: none"> • Check stub/award letter stating current amount of disability received/bank statements.
Unemployment	<ul style="list-style-type: none"> • Award letter stating current amount received • Bank statements
Workers Compensation	<ul style="list-style-type: none"> • Pay Stub showing benefits received • Bank statements • Award letter/notice showing settlement amount for wages
Regular contributions from persons not living in the household. Includes payments for rent & utilities or money sent/given to family from person living in another location.	<ul style="list-style-type: none"> • Letter from person contributing resources to the household • Canceled check showing amount contributed to household • Bank statement showing deposits
Other cash income: Includes, but is not limited to withdrawals from any source, including substantial savings accounts which families are drawing upon (similar to a trust account), investments, trust accounts and other resources readily available to the family	<ul style="list-style-type: none"> • Bank or account statements indicating regular draws on the account(s)
Net royalty payments: such as payments received for writing a book; use of property; extraction of oil, gas, minerals from your property, use of your name.	<ul style="list-style-type: none"> • Income tax return for the most recent calendar year • Bank statement showing deposits • Letter from source showing amount and date received
Census Income for 2010 Census	<ul style="list-style-type: none"> • Check Stub or Bank statement

Income Exclusions

The following table lists exclusions to the WIC income definition.

WHAT CANNOT BE COUNTED AS INCOME:	EXAMPLES:
Assistance Received From Federal Programs	Medicaid, Food Stamps, School Lunch, Family Day Care Food Program, Child Care and Development Block Grant payments, public housing, home energy assistance, youth employment programs, relocation assistance, certain submarginal land of the U.S. which is held in trust for certain Indian Tribes.
Child's Income	Occasional earnings, such as: income from babysitting, mowing lawns.
Gifts	Periodically given
Loans	Which must be repaid

Lump-Sum	Insurance payments for fire and flood damage to a house, if used for replacement. Insurance payments, including workers compensation for past or future medical expenses. Payments received by property owners from National Flood Insurance Program (NFIP). Payments under the Disaster Relief Act of Disaster Relief and Emergency Assistance.
Military Cost of Living Allowance (O CONUS COLA)	For military staff living overseas. Listed as O CONUS COLA (Overseas Continental U. S. Cost of Living Allowance) on the pay stub.
Military Family Housing Allotment - BHA, BMA, LQA, MIHA, OHA, TLA, TLA, OCONUS	Cash housing allowances for military services personnel residing off military installations or in privatized housing whether on or off base. The value of inkind benefits for housing on or off base. Listed as Basic Housing Allowance on pay stub.
Military Family Subsistence Supplemental Allowance - FSSA	For stateside & overseas military families who are below 130% poverty level. Listed as FSSA on pay stub.
Military Combat Pay	Payments that are received: <ol style="list-style-type: none"> 1. When serving in a designated combat zone. and that are first received 2. After they were deployed to the designated combat zone. and are received 3. In addition to base pay.
Military Veteran' Educational Assistance Act mandatory salary reductions	
Deployment Extension Incentive Pay (DEIP) and Deployment Extension Stabilization Program (DESP)	Payments received while deployed. Payments received while at home station must be counted as income.
Agent Orange Compensation payments	
Wartime relocation of Civilians payments	
Filipino Veterans Equity Compensation Fund payments	
Old Age Assistance Claims Settlement payments	Except for per capita shares in excess of \$2000
Non-Cash Benefits	Employer paid portion of health insurance and other employee fringe benefits, food or rent received in lieu of wages, the value of

Non-Cash Benefits (cont.)	food and fuel produced and consumed on farms.
In-Kind	The value of any non-cash compensation. Examples: housing provided to ministers or ranch workers. Meat/food provided to farm or ranch workers.
Payment to Volunteers	<ul style="list-style-type: none"> • Under Title I (Vista, etc.) • Under Title II (Retired Senior Volunteer Program, Foster Grandparents, etc.) • Under the Small Business Act
Payments Received Under the Job Training Partnership Act	
Student Financial Assistance	For any program funded under Title IV, including the Pell Grant, Supplemental Educational Opportunity Grant, State Student Incentive Grants, National Direct Student Loan, PLUS, College Work Study, and Byrd Honor Scholarship programs. Scholarships and grants. Payments received under Carl D. Perkins vocational and Applied Technology Education Act.
Earned Income Tax Credit refund/payment	Tax Forms
Medicare prescription drug card subsidies.	Any subsidy that a household receives through the prescription drug discount card program

Current Income Definition

Current income is income received by a household during the month prior to the individual's application.

Annual Income Definition

Annual income is income received by the family/household during the past 12 months.

Timeframes for Determining Income

Both the income earned by the family during the past 12 months and the current rate of income should be considered to determine which is the better indicator of income that the household is receiving at this point in time.

Exceptions to Using Current or Annual Income

The exceptions to using either the income over the past year or current income are:

- Persons from families with adult members who are unemployed (including laid-off workers) must have their income eligibility determined using their current rate of income
- In-stream migrant farmworkers (and their families) with expired Verification of Certification (VOC) cards must be considered income-

Exceptions to Using Current or Annual Income (cont.)

eligible, provided that their income is re-determined once every 12 months.

- Anticipated income if a person thinks he/she will get a job. Use the income they have now if unemployed or in the past 30 days if they are currently employed.
- Clients who have started a new job, but hasn't yet received pay. Use the income they received in the past 30 days.

Do not count this income. Only income that has actually been received may be counted.

Staff should tell clients who are anticipating a new job, that if their income changes substantially they should notify clinic staff at that time.

Temporarily Low or Infrequent Income

Income determination for a family with temporary low or infrequent income is based on an average of the family's income during the period of infrequency or irregularity of employment. Families who might be in this category can include, but are not limited to, construction workers, seasonal agricultural workers such as farmers, or self-employed persons, persons on maternity leave.

Temporary Lack of Income

Persons who are not receiving any income should have their eligibility determined based on their current rate of income. Clients who this affects are:

- Those who are currently unemployed and not receiving unemployment benefits.
 - Those who are temporarily laid off and expect to be called back to work in the future.
 - Workers on strike
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How to Calculate Income

When a household has only one income source, or if all sources are paid at the same interval, do not use the conversion factors below. Compare the income, or the sum of the separate incomes, to the WIC income guidelines for the appropriate interval and household size to make the income eligibility determination.

For households that have income sources at more than one interval, (ex. boyfriend is paid weekly and mom receives disability monthly), use the following steps to determine the family's income.

1. Convert each income to annual amount:
 - Take the weekly income and multiply times 52.
 - Bi-weekly (every other week), income should be multiplied by 26.
 - Semi-monthly income should be multiplied by 24.
 - Monthly income should be multiplied by 12***DO NOT round the values resulting from each conversion**

2. Add together all the unrounded, converted incomes
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3. Compare the total to the annual income listed for the appropriate family size shown in the income guidelines.

How to Calculate Income (cont.)

The income calculator in the WIC computer system automatically converts income to an annual amount for all payment options, with the exception of hourly wages, which must be calculated manually and entered into the system.

One Person in Family Certified and Found Over Income

When any member of a family or household is found to be over income during a certification visit, ALL members of that family or household are to be considered over income.

Exceptions are:

- children who are adjunctively income eligible as recipients of Medicaid, SNAP or ADC.
 - members of households with a pregnant woman or infant receiving ADC, Medicaid or SNAP.
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One Time Payments

Payments received once, such as clothing allowances, small lottery winnings, and re-enlistment/hiring or other bonuses are counted as income only during the month they are received.

Families who receive these types of lump sum payments generally use them to pay bills and other expenses during the month they are received and the money is not available after this for the family's use. Families who receive these payments and are over the income guidelines are ineligible for WIC during the month they receive the lump sum payment. They may reapply/receive benefits in months following where no payment is received provided their income meets or is below the guidelines.

Please contact the state WIC office for guidance when you have a one time payment over \$10,000.

Larger lump sum payments, such as lottery winnings in the tens or hundreds of thousands of dollars or those paid over multiple years are counted as income and averaged over a 12 month period in the year paid.

Proof of Adjunctive Income Eligibility

If the applicant reports they receive SNAP, ADC, Medicaid, or Kids Connection, staff should contact DHHS or have the client log into Access Nebraska to confirm participation in one or more of these programs.

When staff are unable to verify participation in one of the above programs, income should be screened the same as for other clients.

If the person cannot prove they are receiving benefits from one of the adjunct eligible programs and are over income when screened using the Income Questions or they do not have proof of income, they would be denied benefits at that time. Eligibility would be reassessed when proof of participation in one of

**Proof of Adjunctive
Income Eligibility (cont.)**

the approved programs is provided, or proof of income is brought to clinic
If the applicant meets income guidelines the certification visit would continue.

**Clients Who Do Not
Bring Proof to
Certification Visit**

There are instances when an applicant may be a walk-in or otherwise fail to bring proof of income to the certification appointment. The certification would stop at that time until the client brings in proof.

Walk-in clients must have an appointment scheduled within the processing timeframe for their status/situation.

All other client's may return the same day or have an appointment scheduled for another day depending on the clinic schedule, clinic staffing and the client's preferences.

**Applicants Unable to
Provide Proof of Income**

There are applicants who may be unable to provide proof of income. Examples of these situations are homeless families, those with no income, persons who are paid with cash, migrant farm workers, and undocumented workers.

Two options exist for WIC staff to use in these situations:

Option 1: Someone who has knowledge of the applicant's income (i.e. caseworker, employer, or pastor) may complete a Nebraska WIC Program Income Letter for the applicant. The letter may be found at the end of this procedure.

The letter should be retained in the applicant's file and noted on the WIC Signature Form.

Option 2: If staff determines that requiring the applicant to provide income documentation would present an unreasonable barrier to participation, the applicant may self declare their income.

In these instances the No Proof box on the WIC Signature Form should be completed and initialed by the applicant. The reason why the applicant could not provide documentation of income should be noted.

**Applicants Reporting
Zero Income**

Except in very rare cases, zero income is not an acceptable statement of income.

Situations when zero income would be acceptable are:

- Homeless and living in a shelter, car, park, etc.
 - Domestic abuse
 - Self-employed or farmers (zero or negative income on 1040 tax statement)
 - Unemployed and not receiving unemployment or severance pay
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Applicants Reporting Zero Income (cont.)

In these cases document on the WIC Signature Form why income is being reported as zero.

When zero income is reported in other situations, the applicant should be asked to describe in detail their living circumstances and how they obtain basic living necessities such as food, shelter, medical care and clothing. It is especially important in these cases to review income information with the applicant to determine how the applicant is supported and identify any needed referrals.

Leading questions such as where are you getting food, where are you living, who is paying the rent or mortgage payments, how do you pay for your cell phone and/or gas and how long has the family been without income will give insight into how the applicant is supported. Let the applicant know that you are not trying to pry into his/her personal life, but that the information is necessary to determine income eligibility for the Program.

Applicants Reporting Negative (Net Loss) Income

When an applicant shows no profit or a loss for a year (i.e. farmers, self-employed), be sure to document on the WIC Signature form an explanation of the individual's income (i.e. individual shows loss of \$5,000, existing on farm loans).

Reassessing Income Eligibility Mid Certification

A participant's income eligibility must be reassessed during the certification period when information is received:

- About a change in circumstances indicating possible income ineligibility, including family size.
 - Indicating that a change in income eligibility has occurred.
 - That confirms the individual or other eligible family member is no longer participating in Medicare, SNAP, Kids Connection, or TANF or other program that was used to determine a participant adjunctively eligible.
 - From an outside source that indicates the family's circumstances have changed or that not all information relating to income and/or family size was reported at the certification visit.
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Exception to Reassessment of Income Eligibility Mid Certification

Reassessment of income eligibility is not required at the time the local agency receives information indicating that the participant's income or family size may have changed when this information is received 90 days or less before the end of the certification period.

Documentation of Income in Applicant Files

The income documentation seen should be noted on the WIC Signature Form along with the signature of the staff person who assessed income and the date income was assessed.

**Documentation of
Income in The WIC ADP
System**

The annual income should be placed in the income field of the computer screen.

NEBRASKA WIC PROGRAM INCOME LETTER	
The Nebraska WIC Program requires proof of income in order to provide eligible applicants with program services. This letter allows another person to provide proof of income.	
Please complete the following:	
Agency/Organization Representative's Name: (Print)	
Agency/Organization:	
Address:	
Telephone Number:	
I verify that _____ is employed by the above listed company/person.	
Please complete this section with the amount paid and how often paid. _____ Amount Paid <input type="checkbox"/> Hourly Average # of Hours Worked/Week _____ <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Annual <input type="checkbox"/> Other _____	
_____ Signature of agency/organization representative	_____ Date

Nebraska WIC Program Income Letter

Explanation: The Income Letter is a letter of support completed by a reliable third party verifying income for a WIC applicant.

Instructions:

The employer/third party should write:

- His/her identifying information in the spaces provided.
- The name of the person for whom they are providing income information for.
- The amount paid to the employee listed and how often this amount is paid. Examples: hourly wage, salaried wage paid monthly.
- Sign and date the form in the appropriate area.